CZ150-1

DISTRIBUTION

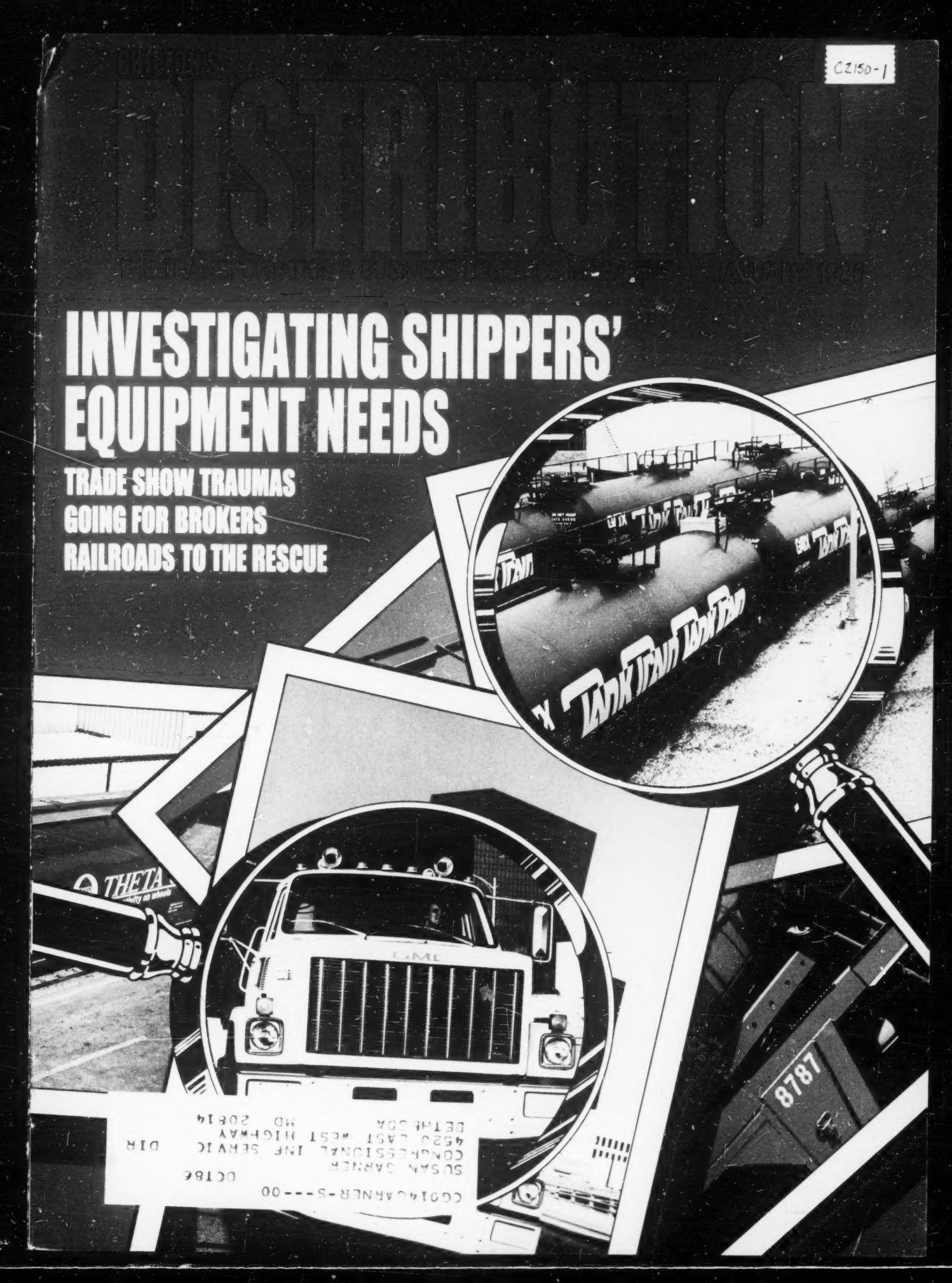
THE MAGAZINE FOR PUBLIC TRANSPORTATION PROFESSIONALS JANUARY 1990

INVESTIGATING SHIPPERS' EQUIPMENT NEEDS

TRADE SHOW TRAUMAS

GOING FOR BROKERS

RAILROADS TO THE RESCUE



VOL. 85, NO. 1

CHILTON'S
DISTRIBUTION

JANUARY 1986

COVER STORY

10 INVESTIGATING SHIPPERS' EQUIPMENT NEEDS
In part two of our series on transportation equipment, we listen to what shippers have to say about their now and future needs, and how the market affects what equipment is most profitable.

SPECIAL FEATURES

20 THE EXHIBITIONISTS
Your company can get great exposure at a trade show—as long as someone's covered the bare essentials of exhibit logistics. And too often, the person responsible for doing so is not from the transportation department.

27 GOING FOR BROKERS?
Following a population boom among transportation brokers, DISTRIBUTION has compiled its second rundown of some of the pre-eminent offspring. This guide can be more valuable than the Yellow Pages when your fingers go walking in search of a transportation middleman.

33 CASEBOOK: RAIL SERVICES
A look at three different examples of how shippers and carriers, by working together, can make tracks to innovative transportation service.

27 . Showing your stuff

REGULAR FEATURES

4 EDITORIAL By Joseph V. Barks
You gotta believe

7 DIALOGUE
Taking stock of brokers

46 CLAIMS By John Betz
Too many cooks has intermodal in a stew

48 COMPUTERS By Cathy Coffman
Before you join, ask: what's the use?

49 TRANSPORTATION LAW By Colin Barrett
Pay close heed to court findings, too

57 INTERMODAL By Kurt Hoffman
Way down yonder, a port pulls it together

60 BULK TRANSPORT By James Martin
At last, a new way to work the 'swingshift'

62 AIR FREIGHT By Stan Chapman
Nothing to lose sleep over—yet

64 MARITIME By E. J. Muller
New five-year chapter for 'shipping act saga'

66 MANAGEMENT By Matt Gallagher
A just-in-time call for logistics action

68 INTERNATIONAL By Roger Schreffler
Ports kiss off sunday for some costly rest

DEPARTMENTS

4 EDITORIAL STAFF

72 GUIDE TO PUBLIC WAREHOUSES

73 READER SERVICE CARD

78 CLASSIFIEDS

79 ADVERTISERS INDEX

80 LAST PICKUP

NEXT MONTH

For-Hire Trucking

DISTRIBUTION, ISSN 0273-6721, owned by Chilton Co., is published monthly at Chilton Way, Radnor, PA 19089. (215) 964-4000. Chilton Co. is a division of American Broadcasting Companies, Inc., New York, N.Y. Second Class Postage Paid at Wayne, PA 19087 and additional mailing offices. © CHILTON COMPANY 1986. Subscription rate: U.S. and possessions, $40 per year. Canadian, $50. Foreign $70. Single issue $2.00 except Distribution Guide Issue—$20 per copy. Address editorial correspondence to Editor in Chief, DISTRIBUTION, Chilton Co., Radnor, PA 19089. Postmaster: Send form 3579 to DISTRIBUTION, P.O. Box 3019, Wheaton, IL 60189. Permission to photocopy for internal use or the internal use of specific clients is granted by Chilton Company for libraries and other users registered with the Copyright Clearance Center (CCC), provided that the base fee of $1.00 per copy of the article, plus 25¢ per page is paid directly to the CCC, 21 Congress Street, Salem, MA 01970. (0273-6721/86 $1.00 + 25¢.)

In November, the question of the month involved brokers. *Have the image and effectiveness of these middlemen, we asked, evolved to the extent that their once shady reputation has given way to respect, or are shippers still unimpressed by the hype? What we've found is that, despite the public relations efforts of groups like the Transportation Brokers Conference of America, and the shining examples of a few dedicated brokers, shippers are, for the most part, still shying away from brokers. On the other hand, there are those shippers who say that the right broker can be a valuable friend. As one reader suggested, there are reputable brokers out there, but it's the shipper's job to sort out the bad apples. Here's what other readers had to say:*

"Why would we use brokers? There are enough carriers out there to handle our business. We'd rather not work with a company that takes a percentage of the charges and pays the actual transporter of the goods less than the going rates."**—Paul Robbins, traffic specialist, Colotex Corp., Tampa, Fla.**

"Even though I've seen a vast improvement, brokers don't seem to take my instructions seriously enough, especially in regard to timeliness."**—Russ Kartee, corporate traffic manager, National Pallet Leasing Systems, Port Washington, N.Y.**

"Some brokers work well in unbalanced lanes. They are also a determining factor in establishing whether our contract rates are reasonable."**—G. VanKell, managaer of motor transportation, Morton Salt, Chicago.**

"We got burned when a broker was unable to settle a claim with its carrier because they lacked the proper insurance."**—R. D. Moyer, traffic manger, C.T.M.S., Norcross, Ga.**

"I will not deal with brokers; there are enough quality carriers. Why pay a middleman who inflates a carrier's rate level."**—Greg Crech, transportation manager, Westwood Pharmaceuticals, Buffalo, N.Y.**

"The more professional and ethical they get, the more they will find themselves in a useful role in coordinating the needs of shippers and carriers, both large and small."**—William Carbone, manager of domestic transportation/distribution, Alumax, Inc., San Mateo, Calif.**

"They are generally responsive to my needs, yet I cannot depend on their equipment, safety, or service enough to make them a central part of my carrier mix."**—Thomas G. Flaherty, carrier service rep., Engelhard, Edison, N.J.**

continued

QUESTION OF THE MONTH

ARE YOU PART OF THE SHOW?

As you'll see from "The Exhibitionists" feature starting on page 20, the transportation bill for getting products to and from trade shows came to about $600 million last year. Did your traffic and distribution department have any control over the portion of that $600 million that was spent by your company?

From what we can gather, most trade show responsibilities fall to a small number of trade show specialists who, when it comes time to transport an exhibit, do little more than call a carrier. Traditional concerns with rates and routes don't seem to exist, nor does auditing on any meaningful level.

Are you ever asked to apply your expertise? Or is this simply a show run by sales or marketing? If you do get involved, is it simply to follow through on pickup and delivery instructions someone else has made, or do you have any real input with regard to carrier selection, rate negotiation, or liability considerations?

If you do have some input, which type of transportation companies do you find to be best suited for these delicate, time-critical moves?

Let us know on the card below just how much of a show you're expected to put on when it comes to exhibiting your company's wares.

DIALOGUE

January 1986

•My distribution department (_____does/_____does not) get involved extensively with trade show exhibit logistics. I think my department should get involved (_____more/_____less).

•When I do get involved with trade show logistics, it's to (check all that apply): _____select a carrier;_____determine/negotiate a rate;_____schedule and coordinate pickup/delivery for a predetermined carrier;_____process a claim;_____other (describe: _____)

•Other people within my company who get heavily involved with exhibit logistics work for: _____marketing _____sales _____purchasing _____a special corporate exhibition dept.

•My company (_____does/_____does not) enlist the services of outside exhibition specialists to handle trade show logistics as part of a total service.

•In my experience, when you have to get a trade show exhibit moved quickly, safely and at a reasonable cost, your best bet is to call a _____van line/household goods carrier _____air freight forwarder _____specialized, irregular route motor carrier

•From what I've seen, the transportation charges my company now pays for the movement of products and exhibits to and from trade shows are: _____too high _____about what I'd expect _____impressively low

In my opinion, here's the biggest mistake most companies make when it comes to transporting their products and exhibits to and from trade shows:

NAME (print) _____ TITLE _____

COMPANY _____ PHONE _____

ADDRESS _____

CITY _____ STATE _____ ZIP _____

FIGURES IN SPEECH

(Quotes from transportation and distribution notables that have caught the ears of *DISTRIBUTION* editors:)

"We (in the motor carrier industry) no longer have a healthy industry. By any fair description, we are a financial disaster. The market is shrinking.... These circumstances have produced a shattered industry with large numbers (of carriers) on the brink of disaster, hanging on and cutting corners just to live another day."**—James C. Harkins, executive director, Regular Common Carrier Conference, to the Senate Committee on Commerce, Science, and Transportation.**

•

"The tidewater ports, and the railroads and steamship lines serving those ports, know full well they simply must keep their rates in line during the Great Lakes shipping season. The incentive is clear enough—The Lakes ports, and the railroads and steamship lines serving them, provide keen competition during the Lakes navigation season. There are those who say that the Lakes system 'keeps everybody honest.' "**—Davis Helberg, executive director, Port Authority of Duluth, before the House Subcommittee on Merchant Marine Oversight.**

"Brokers are cost effective, but very risky. Our president received a letter from a carrier asking us to put pressure on a broker for payment. We had paid the broker, but he, in turn, had used another broker who contracted with the carrier. It's the proverbial can of worms."**—D. Bruch, director of transportation/distribution, West Bend Co., West Bend, Wis.**

"We prefer to deal directly with carriers. However, we do recognize that they can be a viable source for additional carriers when needed. Unfortunately, there are too many of them to choose from. We only need a couple of dependable ones for our daily needs."**—Robert G. McCormick, assistant director of distribution, Bunge Edible Oil Corp., Kankakee, Ill.**

"We have had excellent results with a broker for 10 years. It has done a good job for us, responds to our needs, and helps us greatly. There will always be a need for brokers. When the 'right' one is found, life is a lot easier."**—Bob Carlotto, traffic manager, Rising Paper Co., Housatonic, Mass.**

"There is something wrong when a broker can make more money on a load than a trucking company. Obviously, the trucking company has the capital risk. Brokers can only improve their image after they start to do some long-term thinking."**—Roy Johnson, corporate traffic manager, Dillard Paper Co., Greensboro, N.C.**

TAKING STOCK OF BROKERS

Use of Brokers over last two years has increased	59%
decreased	15%
remained the same	20%
Brokers:	
should be avoided at all costs	19%
are a viable option in emergencies	24%
are viable for everyday routine	52%
I am impressed with efforts to create higher qualifications	59%
I believe these efforts will improve brokers' performasnce	70%
I locate brokers through:	
personal contacts	54%
word of mouth	32%
public directories	17%
My own company has made good use of its brokering authority	30%

NO POSTAGE NECESSARY IF MAILED IN THE UNITED STATES

BUSINESS REPLY MAIL
FIRST CLASS PERMIT NO 39 WAYNE PA

POSTAGE WILL BE PAID BY ADDRESSEE

CHILTON'S
DISTRIBUTION
Editor-In-Chief
Chilton Co.
Radnor, PA 19089